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**CFO
BUSINESS
CONTINUITY
PLAN**

PAYROLL

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CFO Business Continuity Plan
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SECTION 1: Plan Overview

The Laboratory's Payroll function has been determined to be a mission-critical financial system. This plan has been developed by the Chief Financial Officer (CFO) Directorate in order to provide a method to pay Laboratory employees in the event of a major computer malfunction, long-term power disruption, or other unforeseen event that would prevent the normal processing of payroll. This document provides guidelines (see below) and detailed procedures (see appendices) to support decisions and actions to reasonably ensure the payment of Laboratory employees.

In the event that the Payroll Office cannot process payroll in the usual manner, contingency plans have been outlined depending on the location, severity, and timing of the disruption. The options range from “wait and reevaluate” to providing employees with a “payroll advance payment”, to be adjusted once normal operations have been resumed. Alternative on-site and off-site locations, equipment, forms, and data storage have been identified and tested. The plan has been coordinated with the Laboratory's Administrative Information Systems (AIS) Department and is consistent with the AIS Computer Center Contingency/Disaster Recovery Plan.

Execution of any part of this plan will be in accordance with the Laboratory's Emergency Management directives and the CFO Emergency Self-help Plan.

SECTION 2: Payroll System Functional Overview

A. Payroll Summary

The LLNL HRMS/Payroll System uses PeopleSoft commercial off-the-shelf software with limited in-house enhancements. The Payroll function relies on BottomLine printing capabilities requiring a signature disk, preformatted electronic forms, custom check stock, and magnetic ink character recognition (MICR) to produce checks or advices of deposit. Electronic payments are made to the Bank of America through HTTPS over the internet. Laboratory employees are paid primarily on a monthly or bi-weekly basis. The Laboratory has a fiduciary and legal requirement to pay its employees in a timely manner.

B. Payroll Key Functions

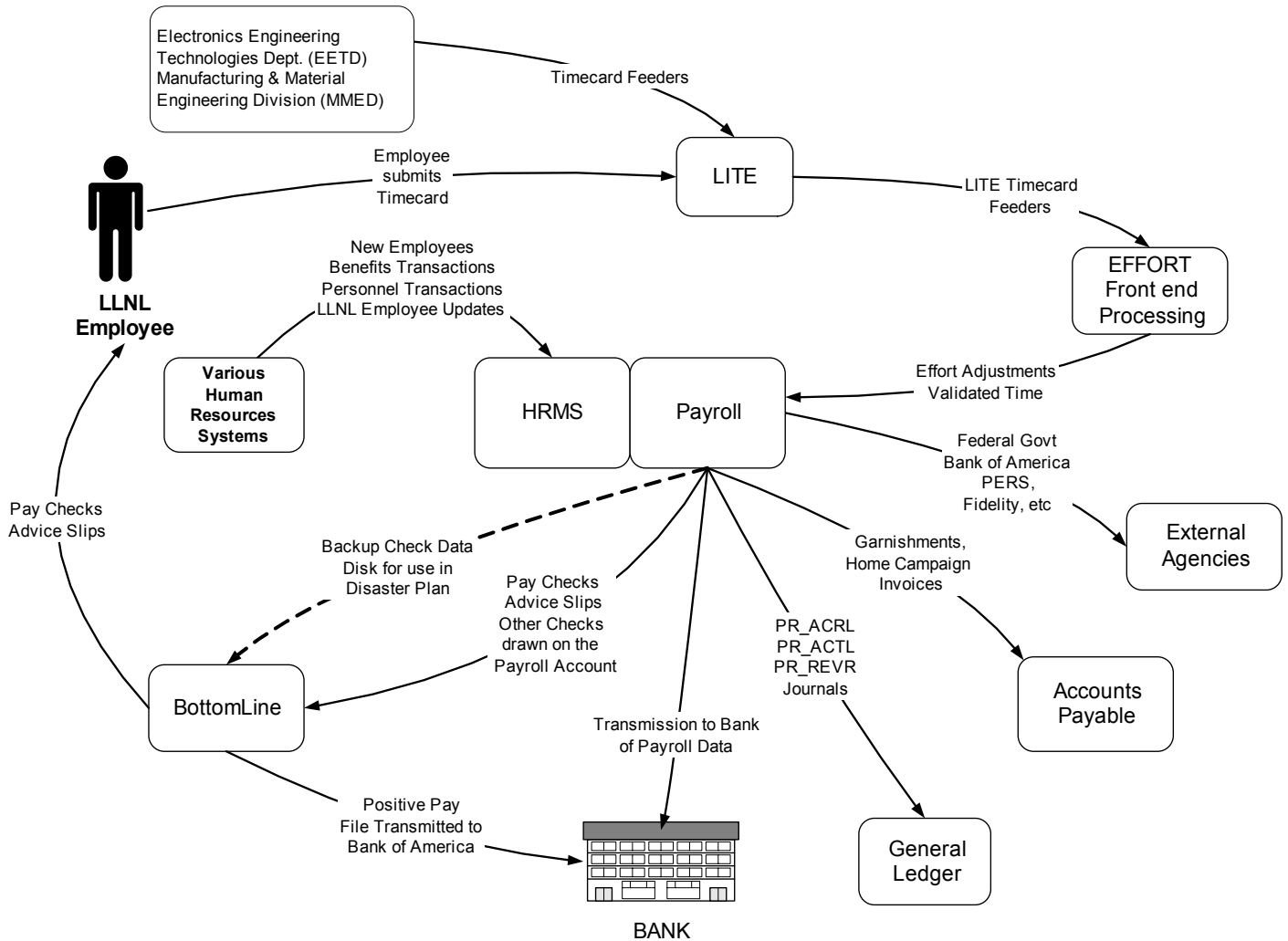
The primary function of the LLNL HRMS/Payroll System is to process employee compensation information, generate paychecks and electronic deposits, and maintain employee earning and leave records. The Payroll System also generates employee and regulatory reports, and supplies financial entries to the General Ledger.

C. Payroll System and BottomLine Interdependencies and Requirements

Below is a diagram that illustrates the interfaces with the HRMS/Payroll System in order to run a normal payroll process. Business continuity plans for these systems may be found in separate documents. Use of the Payroll Advance Payment process under this Plan is not dependent on the availability of the normally required systems, with the exception of BottomLine.

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PAYROLL INTERDEPENDENCIES



Software

PeopleSoft

BottomLine - Paybase32 (Version 5.3.0.14)

BottomLine - Designer + (Version 2.0)

Signature Card - (1) diskette (Miscellaneous files, including logo)

BottomLine Hardware Requirements

Personal Computer:

Manufacturer - Gateway2000

Model - GP5 233

Specifications - 233Mhz, 128Mb ram, 4Gb hard drive

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Printers:

Manufacturer - Lexmark
Model - Optra S2450
Add-on - Source Technologies MICR board

Or Manufacturer - HP
Model - 8000

Folder/Sealer:

Manufacturer - Formax AutoSeal
Model - FD2052

Miscellaneous Items

MICR toner cartridge for Lexmark Optra S2450

Manufacturer - BottomLine Technologies
P/N - 1382964

MICR toner cartridge for HP 8000 printer

Manufacturer - MicroMICR
P/N - TIN-250

Moore Custom Advice and Check Stock

D. Critical Payroll Processing Periods

To determine if an event will have a critical impact on the Laboratory's payroll, the processing schedule within the Payroll Office must be considered. Bi-weekly (non-exempt) employees are paid every other Friday for the prior two weeks of effort. Monthly (exempt) employees are paid on the first of the month for the prior month's effort. In order to meet banking deadlines, the Payroll Office must complete payroll processing at least two workdays prior to the pay date. Under special circumstances, the bank will allow the Laboratory to deliver payment information one workday prior to payday. In response to a problem, implementation of a backup process could take one or two days (see details in Section 3.A. Scenarios). Therefore, to determine if the Payroll Advance Payment process should be invoked each situation will have to be evaluated individually based on timing, duration, and severity of the problem.

If an event occurs that causes the payroll system to be down for five to six workdays during a non-pay week, the backup process will probably not need to be used. Conversely, if the system is down for two to three workdays prior to a Tuesday of a pay week, then a decision to use the Payroll Advance Payment process will most likely need to be made. See critical time periods in **Appendix A**.

Once normal business resumes, the required adjustments needed could be substantial. The benefits of running normal payroll one or two days late may outweigh the cost of running the backup and recovery processes. Advance payments could also be destroyed (shredded), and the normal payroll processed should the problem be mitigated before actual distribution of the checks.

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SECTION 3: Payroll Business Continuity Implementation

A. Scenarios

Based on various scenarios that may occur, Continuity Plans have been identified in the table below. See also the flow diagram in **Appendix B**.

Scenario/Criteria	Continuity Plan/Hours to Complete
A. Event Occurs Downtime >30 days	
1. As Paydays approach, reevaluate based on below steps.	<ul style="list-style-type: none"> • Contact AIS: AIS Computer Center Contingency/Disaster Recovery Plan will be Invoked (Cold Site at LANL).
B. Event Occurs – Non-Critical Time Downtime ≤ 2 Days Prior to Running Payroll or ≤ 5 Days During Non-Pay Week	
1. As Paydays approach, reevaluate based on below steps.	<ul style="list-style-type: none"> • Wait And Reevaluate
C. Event Occurs – Critical Time Downtime > 2 Days During Pay Week or > 5 Days During Non-Pay Week	
1. Lab and Required Systems Operational	<ul style="list-style-type: none"> • Run And Distribute Normal Payroll
2. Lab and AIS Computer Center Operational And <ul style="list-style-type: none"> • Payroll Office Not Operational And/Or • BottomLine PC Not Operational And/Or • BottomLine Printer Not Operational And/Or • Folder/Sealer Not Operational 	<ul style="list-style-type: none"> • Relocate Payroll Staff to B __, R __ • Use PC in B __, R __/See also Backup BottomLine Plan/4 • Use any HP Printer with MICR Cartridge/4 (don't use HP driver with Lexmark printer) • Use Folder/Sealer in B __, R __ or in B __, R __/4 • Run And Distribute Normal Payroll
3. Lab Operational, AIS Computer Center Not Operational And/Or <ul style="list-style-type: none"> • B __ Not Operational And/Or • BottomLine PC Not Operational And/Or • BottomLine Printer Not Operational And/Or • Folder/Sealer Not Operational 	<ul style="list-style-type: none"> • Management Decision to Invoke Payroll Advance Plan • Use PC in B __, R __/See also Backup BottomLine Plan(check stock B __, R __)/4 • Use PC in B __, R __/See also Backup BottomLine Plan(check stock B __, R __)/4 • Use any HP Printer with MICR Cartridge/4 (don't use HP driver with Lexmark printer) • Use Folder/Sealer in B __, R __ or in B __, R __/4 • Print Checks/8 • Distribute “Advance Payment Checks”
4. Lab Not Operational	<ul style="list-style-type: none"> • Management Decision to Invoke Payroll Advance Plan • Retrieve Check Stock from Offsite Location A/4 • Retrieve Backup Files from Offsite Location B/4 • Go To Location C/2 • Print Checks/8 • Distribute “Advance Payment Checks”

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B. Other Potential Problems

If key staff is unavailable, it is presumed personnel other than those currently responsible for running the Payroll process would be performing the backup process. Key staff is defined as all Accounting and CISS personnel with the skills and access to produce required Payroll (non-matrixed AIS personnel should be covered in the AIS Plan.) Detailed procedures and storage locations are provided throughout this Plan and in the appendices.

C. Agreements With Others

The successful execution of the Continuity Plan relies on assistance from, and reciprocal agreements with, a variety of organizations both internal and external to the Laboratory. See list of agreements in **Appendix C**.

D. Payroll Advance Plan

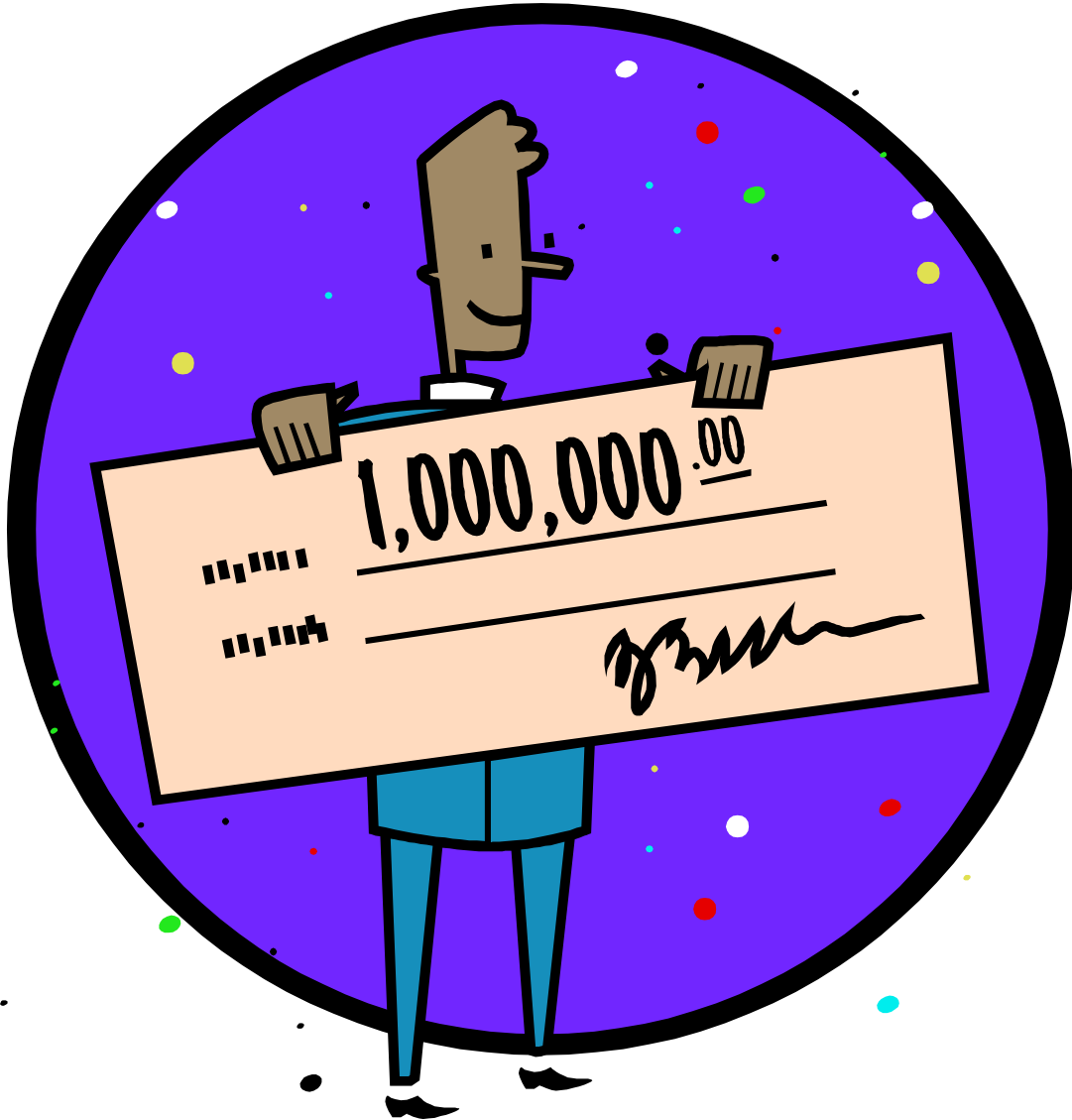
If the normal processing of payroll is unavailable and the decision is made to invoke the Payroll Advance Payment Plan, Laboratory employees will be given a printed check). The amount of the check would be based on a standard period of work (one month for monthly paid employees and 80 hours for biweekly paid employees) less any taxes and deductions that were taken on the employee's previous "normal" check.

A backup file with the calculated net amount for each employee is created after each normal payroll process. Copies of these backup files are stored in several locations both within the Laboratory, as well as offsite. This plan could provide alternative payroll payments to employees for a period of four to six weeks depending on the timing of the event that caused the outage (see C. Critical Processing Periods.) Beyond this time period, the AIS backup process would be invoked and an alternate site would be in place to process payroll in a normal manner.

Under the current payroll backup procedures, Moore custom check stock and the BottomLine System must be used to print payroll advance checks. Checks would be printed for employees who had received a payment in the prior payroll. New hires and indeterminate employees would not be paid. Conversely, employees who terminated since the last payroll would be paid. These could be added to or removed from the file prior to printing if a method of identifying them were available. See detailed procedures for the Payroll Advance Payment Plan in **Appendix D**.

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Sample Payroll Advance Payment



Insert Your Sample Check Here

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SECTION 4: Assessment, Declaration, and Notification Procedures

A. Incident Assessment and Declaration Authority

First and foremost, personal safety must be assured by following the Laboratory's Emergency Management directives and the CFO Emergency Self-help Plan. The Laboratory's Public Affairs Office will provide information to Laboratory employees during and after an operational emergency through various methods.

B. Notification Procedures

If an event occurs that causes the Payroll Office to lose their capability to create a normal payroll, the functional user will notify the Payroll Group Leader. The Payroll Group Leader will inform the Disbursements Services Manager, who will then inform the Accounting Officer. The Accounting Officer will communicate the details of the current situation to the CFO, who will make a decision whether to invoke the Payroll Advance Payment Plan. See list of designated roles and responsibilities in **Appendix E**.

In order to inform employees of alternative Payroll distribution, the CFO Directorate ES&H Assurance Manager is responsible for notifying Public Affairs and other organizations. See notification procedures in **Appendix G**.

SECTION 5: Normal Business Resumption

A. Recovery

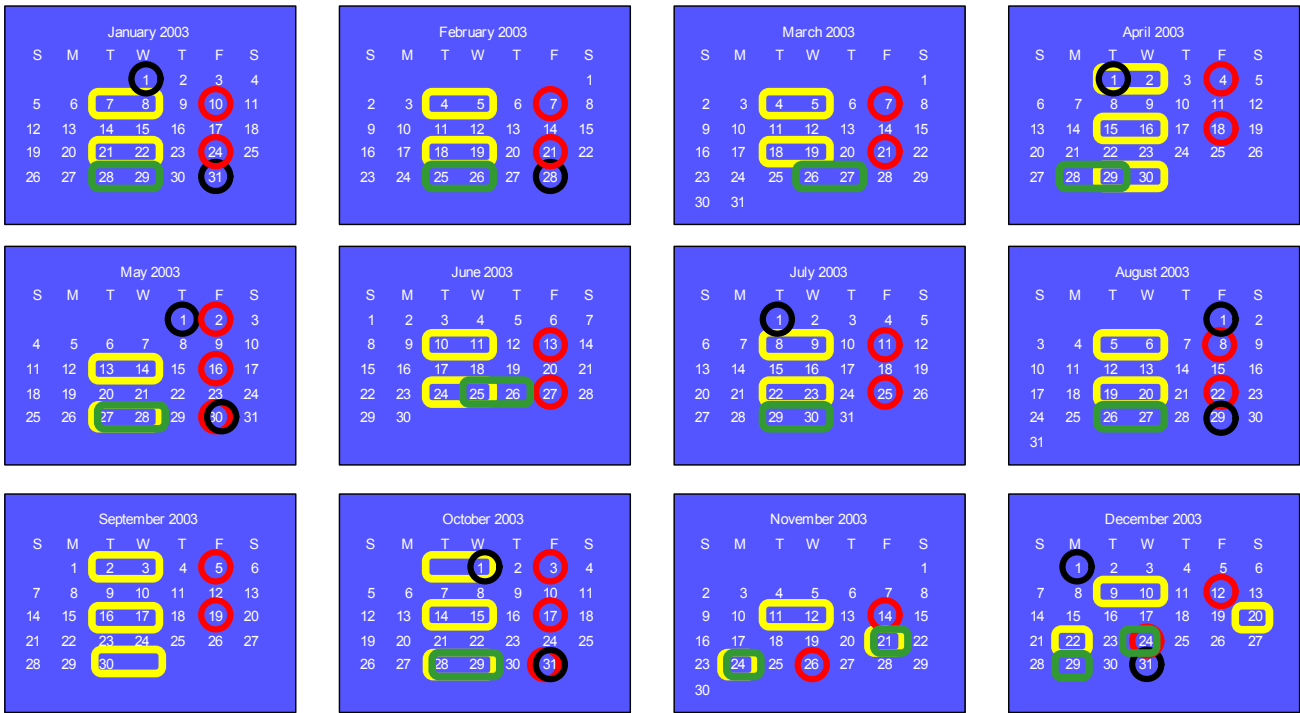
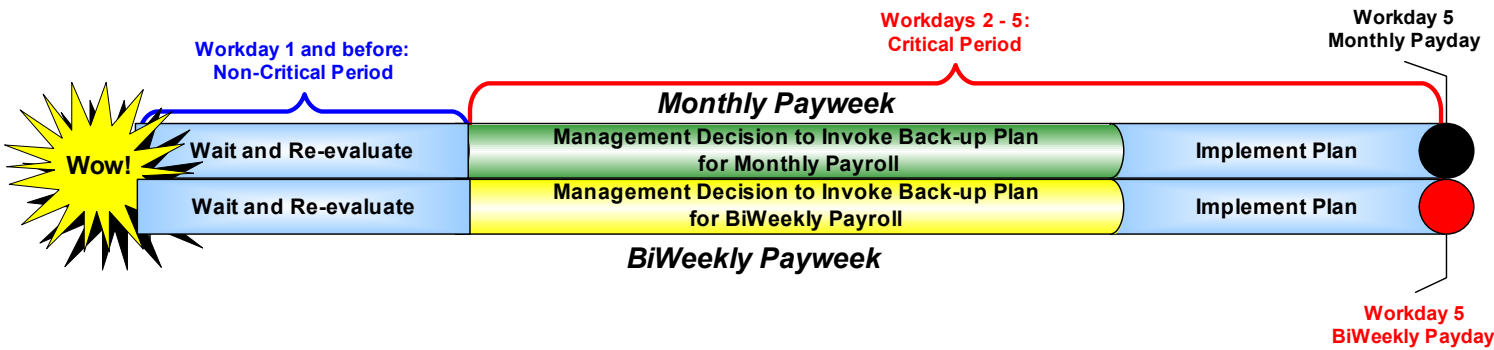
Recovery from using the Payroll Advance Plan will begin once the required elements (machines, database, network and Payroll system) are available for use. See recovery procedures in **Appendix H**.

SECTION 6: Plan Maintenance

This Plan will be reviewed and tested in April of each year and after each upgrade, both at this Laboratory and at Location C. Revisions will be made as warranted. Any comments regarding this Plan should be addressed to _____.

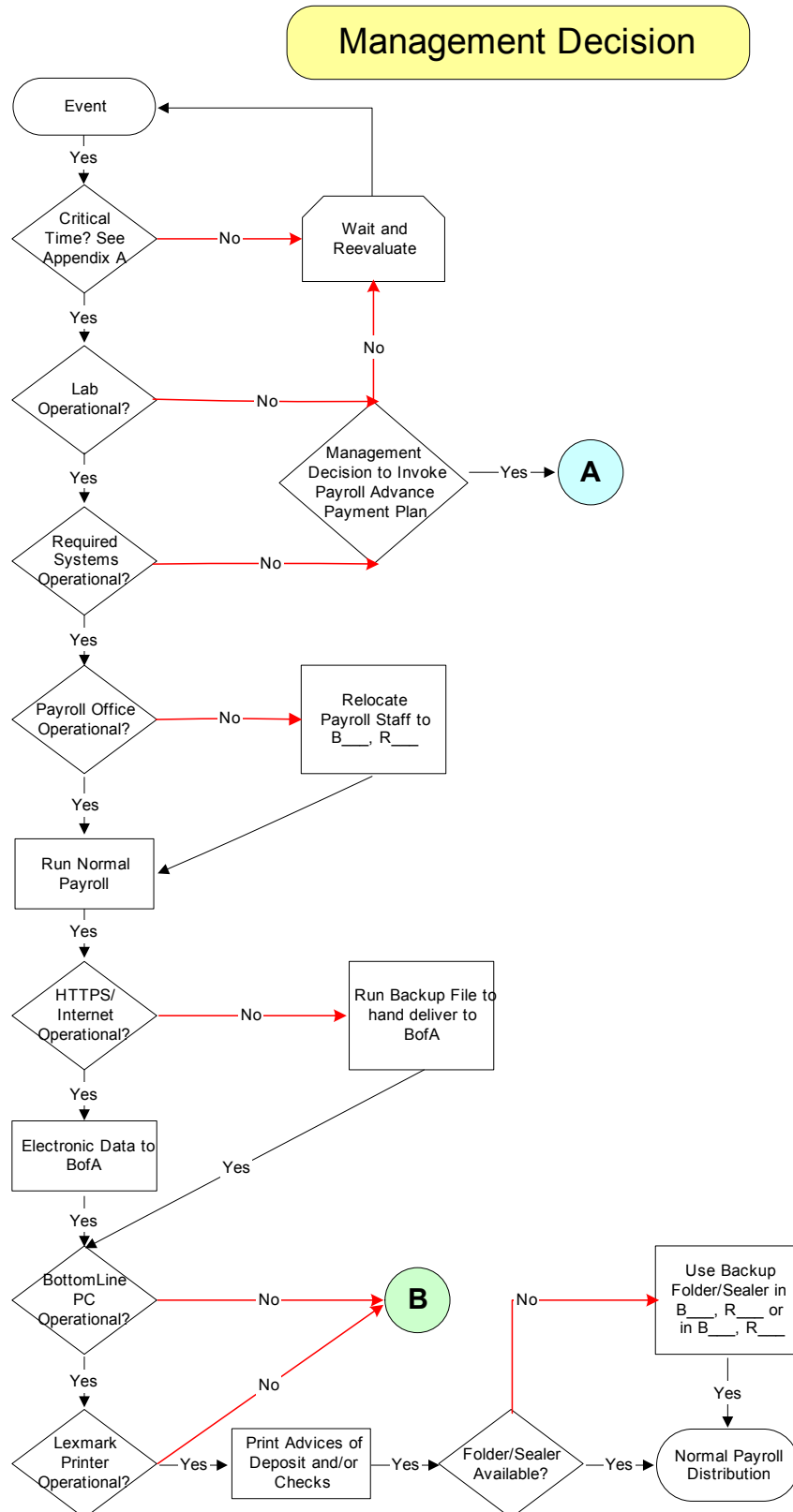
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CRITICAL TIME PERIODS FOR PAYROLL PROCESSING

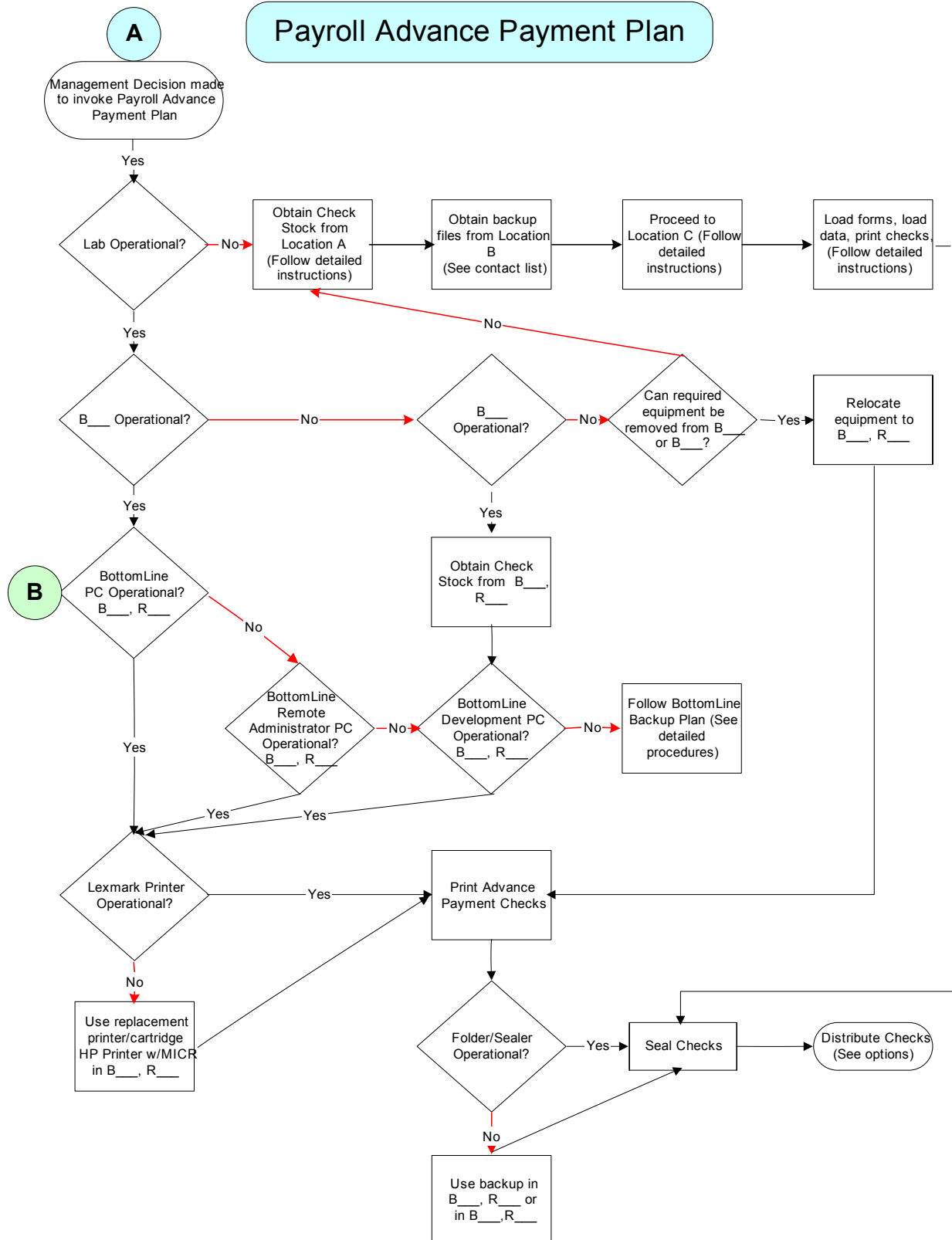


CALENDAR YEAR 2003

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AGREEMENTS WITH OTHERS

Agreement	Organization	Location	CFO Contact		External Contact	
			Name	Number	Name	Number
Onsite Data Storage						
Offsite Data Storage						
Onsite Check Stock						
Offsite Check Stock						
Offsite Signature Disk and BottomLine Procedures Storage						
Folder/Sealer Machine*						
Folder/Sealer Machine						
Relocate Payroll Staff for Normal Payroll Processing						
Payroll Advance Payment Process*						
Mail Paychecks						
Payroll employees manually distribute paychecks						
AIS Cold Site*						

* Agreement is reciprocal

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OFFSITE AGREEMENT



Insert Copy of Your Agreement Here

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BOTTOMLINE AND PAYROLL ADVANCE PAYMENT PROCEDURES

BottomLine Paybase32 System

Guidance: This procedure is to be executed in the event of a catastrophic failure which renders the BottomLine Paybase32 system inoperable. There are four scenarios to this procedure. *Scenario one* will rely on a daily backup/restore operation that the Desktop and Hardware Support (DHS) Team will execute. *Scenario two* will advise reader to contact the DHS Team so access can be granted to a development system that is able to function as the production system in an emergency. *Scenario three* will list a step by step procedure to execute a full system recovery using an exact hardware platform as the original. *Scenario four* will follow the Advance Payment Plan.

Periodic Test Plan:

Each scenario will be utilized once a year in production to refresh understanding and prove continuing functionality.

Contacts:

DHS team

Insert Your Names and Numbers Here

CISS Production Control Team

Insert Your Names and Numbers Here

Scenario One: Data only failure.

Contact the CFO DHS Team and they will perform a restore operation from the last good backup (prior evening).

Scenario Two: System Failure (Hardware, Operating System or Paybase32 application).

Contact the DHS Team and they will grant access to an identical Paybase32 system that is online in B___R___, which is used by the Production Control Team as a development and test system. Using standard Paybase32 procedures this system can replace the production Paybase32 system until it can be revised and placed online.

Scenario Three: System Failure (Hardware, Operating System or Paybase32 application) and backup system in B___ is not accessible or has failed.

Insert Your Detailed Procedures Here

Scenario Four: Buildings ___ and ___ are not accessible.

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Use the following procedures to **Print Payroll Advance Payment Checks at Location C:**

Step 1 - Decision is made to go to Location C to print checks

1. **When event first occurs, notify Location C that we may need to use their facilities to print our checks.** If the problem is not resolved and the decision is made to go to Location C, notify Location C to let them know that we are coming.
2. **Required elements for printing checks at Location C are:**
 - a. **For safety and internal control reasons, ensure two or more people perform these procedures together.**

Insert Your Detailed Procedures Here

Step 2 - Driving Directions

To Location B: See map of Location B in Appendix D-3.

Insert Your Detailed Directions Here

To Location C: See map to Location C in Appendix D-4.

Insert Your Detailed Directions Here

Where to go, once you arrive in Location C: See map of Location C in Appendix D-5

Insert Your Detailed Directions Here

See map in **Appendix D-6.**

Step 3 - Print the checks

Insert Your Detailed Procedures Here

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AUTHORIZED PERSONNEL FOR RETRIEVAL OF BACKUP DATA

Interdepartmental letterhead

Mail Station:

Ext:



February 13, 2003

To:

From:

Subject: **Authorized Personnel for Retrieval of Backup Data**

This is to notify you that anyone from the list below may authorize, either by phone or e-mail, the person whom will come and pick up the Signature and Data Diskette from you. This should only happen if for some reason we are unable to create and print checks in the CFO Directorate.

Authorized Personnel:

Insert Your Information Here

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MAP TO LOCATION ____



Insert Your Maps Here

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ROLES AND RESPONSIBILITIES

Name	Phone Number	eMail	Role	Responsibility
			Payroll Group Leader Payroll Hotline	Inform Disbursements Services Manager Provide Information to Callers
			Disbursements Services Manager	Inform Accounting Officer
			Accounting Officer	Inform CFO
			Chief Financial Officer	Decide Course of Action
			Payroll Systems Developer	Provide Systems Support/Share Information with AIS
			BottomLine Production Technician	Inform Location C
			BottomLine Systems Administrator	Provide BottomLine Technical Support
			Disbursements Operations Group Leader	Ensure Available Check Stock
			ES&H Assurance Manager	Provide Safety Notification and Contact Public Affairs
			Communications Analyst	Provide Information on CFO Website
			Location C Developer	Primary Location C Contact
			Location C Network Administrator	Primary Location C Contact
			Location C Accounts Payable Manager	Provide Support At Location C
			Location C Accountant I	Provide Support At Location C
			Email Link With Location C	Provide Emergency Notification Between LLNL And Location C
			Technical Release Representatives	Provide Purchasing Support
			Plan Coordinator	Ensure Complete and Accurate Plan

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PAYROLL CHECK DISTRIBUTION OPTIONS

Laboratory is Operational	Laboratory is Non-Operational
All checks are mailed through the Laboratory's Mail Services to employees' L-Codes.	Checks are mailed through Location D. in Livermore for a cost to the Laboratory of approximately \$.40 each. (see location choices in Appendix C) to Laboratory employees' home addresses
All checks are mailed through the Laboratory's Mail Services to employees' home addresses.	All checks are picked up from CFO Staff at the designated Location E site (see site choices in Appendix C) by each Laboratory department representative (must be a valid LITE timekeeper or approver – this method reliant on accessibility of LITE from offsite through a VPN account.) for their distribution to their department employees.
All checks are picked up at the Payroll Office by each Laboratory department representative (must be on the authorization list kept in Check Audit, or be a valid LITE timekeeper or approver) for their distribution to their department employees.	All checks are picked up from CFO Staff at the designated Location E site (see site choices in Appendix C) by individual Laboratory employees. (Valid identification required.)
All checks are picked up at the Payroll Office by each Laboratory employee. (Valid identification required.)	
<u>If B /B are not operational,</u> all checks are picked up at an alternate location on-site (alternate location will need to be assessed based on availability at the time) by each Laboratory department representative (must be a valid LITE timekeeper or approver – this method reliant on accessibility of LITE) for their distribution to their department employees.	
<u>If B /B are not operational,</u> all checks are picked up at an alternate location on-site (alternate location will need to be assessed based on availability at the time) by each Laboratory employee. (Valid identification required.)	

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NOTIFICATION PROCEDURES TO LABORATORY EMPLOYEES

CFO ES&H Assurance Manager Will Contact:	For This Method Of Employee Notification:
Insert Your Information Here	NewsOnline
	Printed NewsLine
	Outside media such as radio, TV news, newspaper
	Building page system
	Recorded message heard by dialing ____
	Flyer sent to each employee through Laboratory mail
	CFO website

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RECOVERY PROCEDURES FOR NORMAL BUSINESS RESUMPTION

The “source” payroll is the payroll that was used to create the backup file. The “target” payroll is the payroll for which advances were printed.

When the required elements are available,

1. Run a preliminary calculation of the target payroll.
 - a. Load the advance amounts into the one-time deduction table using

Insert Your Detailed Procedures Here

2. Payroll will need to run the “Load One-Time Deductions to Paysheets” before re-calculating the payroll.
3. The one-time deductions will show on the pay stub/advice statement and the employee will receive the residual amount.

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GLOSSARY

B - Building

CFO Self Help Plan - The CFO Self-Help Plan provides information on how to respond to significant emergency situations that may prevent emergency personnel from responding to other emergencies in a timely manner. It relies on employees to make an initial and continued effort to respond to and control emergencies until professionals can take over.

Effort - The amount of time a person actually reports as worked (actual time charged, including overtime).

HRMS – Human Resources Management System; PeopleSoft commercial off-the-shelf software with limited in-house enhancements used for Human Resources application.

LITE - Laboratory Institutional Time Entry; the LITE system was designed for use by individual employees, data entry clerks, and timekeepers, and approvers to use and manage the time reporting process.

R - Room